

Wilmington Education Improvement Commission
Fiscal Impact Ad-Hoc Committee
DSEA Newark Offices
Meeting Minutes – March 3, 2017

Dr. Joe Pika, Chair, called the meeting to order at 1:30 p.m.

Meeting Overview

J. Pika thanked the committee members for their commitment and for their attendance at the meeting.

Karen Field-Rogers, committee member, called in through conference call.

Report Review

J. Pika initiated the discussion about the report. First, he stated, there are substantive and formal aspects of the report to discuss. Second, J. Pika stated that there would be discussion on the process and final steps to approve the report.

J. Pika provided an update of where the committee work stood to the WEIC meeting on Tuesday, February 28, 2017. He stated there were many members of the public, which gathered attention in the news. Chris Kelly and J. Pika presented the preliminary report to the Commission from the Ad-Hoc Committee. J. Pika quoted a range on the Red Clay short fall and the Christina savings at the Commission meeting on Tuesday, which was included in the report. J. Pika stated this is one of the first substantive things to discuss.

The committee discussed formatting changes in the report.

J. Pika reviewed the format in the executive summary, which does not mirror the conclusions as it had previously.

Jeff Taschner, committee member, asked a logistical question to add the table to the executive summary, and to update the title to “Executive Summary Table 1” to differentiate from the body of report. The same table occurs later in the report.

C. Kelly stated that it was a good point and that the change would be made.

J. Pika stated one of the goals of the report is to capture the overall summary of the fiscal impact.

J. Pika stated that Jill Floore had argued in an earlier meeting to be cautious about having it appear that all of the money is transferrable in all of the categories, so that the money in the federal or the state somehow reduces the significance of the shortfall in the local. The report uses the heavy black lines to indicate a difference in the funds.

J. Pika stated that Art Jenkins suggested there be a subtotal of the federal, state, and local net funds in the summary table.

Ted Ammann, committee member, stated that there should be a clear indicator that the transitional costs are one-time while the others are annual expenses.

J. Taschner mentioned it should be called the total funding required of the transition.

John Marinucci, committee member, suggested there be a categorization between one-time transition costs and on-going costs.

Mary Nash Wilson, committee member, suggested “on-going” costs.

J. Taschner stated that the on-going costs will fluctuate going forward.

J. Pika reminded the committee that the summary table captures the essence of the total funding required.

T. Ammann stated to be cautious when combining the total ongoing and one-time transitional because people will look at that one number and not realize the difference between the two types of costs.

C. Kelly suggested that the summaries be broken up into two tables for one-time costs and another for ongoing costs.

T. Ammann suggested the table be titled “Breakdown of fiscal impact” or “Components of individual fiscal impact” rather than a “Summary of total fiscal impact.”

J. Taschner stated the table provides information on the impact on the separate funding sources.

C. Kelly suggested the title “Total funding required to implement transition” was adequate.

J. Pika stated some transitional costs will be unknown until the first year of transition.

J. Taschner suggested incorporating the unknown transition costs as a detailed footnote.

J. Pika said to add that “some costs will not be calculated until after implementation.”

J. Pika stated that the committee should carry the edited format to the conclusion section that has a table in order for the report to be consistent on the summary.

J. Pika said the hard work is figuring out what the local funds figures are, specifically the local school tax and the tax pool revenues and expenditures for both Red Clay Consolidated School District and (RCCSD) and Christina School District (CSD).

J. Pika stated that this information appears in multiple places in the report.

J. Pika reviewed the calculated total projected expenditures for RCCSD from Wilmington students moving from CSD to RCCSD on two levels.

J. Pika reviewed the calculations of the estimated range of expenditures.

The committee discussed the use of the theoretical range.

J. Pika stated that when he quoted that the estimated range of actual expenditures will be \$7.5 to \$10 million at the WEIC meeting, he was factually correct. However, J. Pika stated there is a high probability it would not be the lower number.

J. Pika discussed that J. Floore mentioned the first number is usually the first that sticks in the mind, but since that is unlikely to emerge, that number should not be emphasized.

T. Ammann agreed, although the exact number is not certain, but the lower total is highly unlikely.

J. Taschner said it is important to know the level of thought that went into the analysis. He said that the range could be discussed in the text of the report, but that the Executive Summary should include the higher estimate.

J. Marinucci stated that the unlikely number should not be referenced in the chart, but explained later in the text.

J. Taschner said we did a wonderful job of laying out our concerns of several months, but the higher number should be used to show what the maximum financial exposure could be.

J. Pika transitioned to a different argument, that the committee suspects CSD's high school students will not all transfer to RCCSD right away and that there will be a transition period.

The committee also discussed that students may choose to attend other schools, such as charter schools.

J. Pika asked the committee if they are comfortable to state an estimate rather than a range.

J. Pika discussed with the committee that it may work out to be 10 mil and the report could state a maximum cost scenario with a caveat that it is subject to change over time.

T. Ammann stated that the executive summary needs to be crystal clear to state this is "up to" the maximum cost.

Tammy Croce, committee member, stated the report should be transparent of the assumption that every student was going to move between districts.

T. Croce said the estimate should be \$10,645,080 in the Executive Summary. The range could be discussed in detail in the body of the report.

J. Pika stated that J. Floore calculated the additional support needed for high-needs students as an average per school, based on a high-needs school.

T. Ammann stated that this takes into account that students at those schools might come from a different set of circumstances. Some students will be outliers, but the calculations are based on the average. The exact estimate if there will be more or less high-risk students is uncertain.

J. Pika stated the committee also needs to make changes on page 19, and in conclusion in the RCCSD discussion.

T. Ammann asked if the second bullet on page 18 applies, based on the current committee discussion.

J. Pika stated change that discussion on page 18-20 and in the executive summary and conclusion to be consistent with that understanding.

C. Kelly asked the committee if the higher number will be reported and the charts will reflect that change. The committee agreed.

J. Pika transitioned to the discussion of the CSD savings. He reviewed the CSD student expenditure would result in savings at least \$2.38 million and up to \$4.6 million. He briefly stated that it is expected that CSD savings would fall on the higher end of the range.

J. Pika referred to the CSD per pupil expenditure as lower in previous two years because expenditures across all categories are down after multiple referendum failed.

T. Ammann asked the committee if it would be appropriate to have a three-year average of expenditures.

C. Kelly explained how the range was calculated based on fiscal year 16 and 17.

J. Taschner suggested paralleling the argument of the previous discussion and reporting the savings will be at least a certain amount.

J. Pika restated that the language would parallel that the savings would be at least an amount and possibly as much as a certain amount.

The committee discussed the historical basis of per pupil expenditures and the implications of stating a specific number.

J. Taschner asked the committee to look at the executive summary to review the language usage.

J. Pika stated the summary would report a single number and explain the estimated range later in the text.

J. Taschner stated the executive summary and tables should parallel the logical approach in the conclusion.

J. Taschner asked the committee why the charter schools are aggregated and if the students are distributed throughout the charter schools. If redistricting occurs, this will influence the distribution and dynamics of charter schools. The committee decided to include an appendix for this additional information on students in charter schools.

J. Pika asked if the committee had anything else to add to the format or language of the report. He asked the committee if there were any other conclusions as part of this report.

J. Pika stated a part of the executive summary identifies four issues to resolve that are beyond the scope of the committee.

J. Pika stated if the facilities assessment is completed, it may be able to be combined with this report.

K. Field-Rogers said the final report will be done by March 31st and they are assessing facilities one at a time.

Approval of Final Report for Submission to WEIC

J. Pika stated WEIC is thinking of delaying submitting the report until the facilities assessment is completed, since there is a 350 million-budget deficit that reduces the urgency of the fiscal impact until the end of March with the facilities assessment.

Next Steps

The committee discussed the path forward will be to send out the revised draft electronically, to respond by a certain date and to sign off and approve, electronically.

Meeting adjourned 2:57 p.m.

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Committee Members

Joe Pika, Chair

John W. Marinucci, Ed.D

Jeff Taschner

Mary Nash Wilson

Ted Ammann

Karen Field-Rogers (Conference Call)

Tammy Croce, Ed.D.

IPA Members

Chris Kelly

Melissa Micek

Members of the Public